

10 October 1955

OGC Has Reviewed

MEMORANDUM FOR THE RECORD

SUBJECT: Contract Employees - Discussion with Navy

1. I spoke to Mr. Otilie of Navy Personnel, Code 131, X54482, on the subject of contract employees.

2. Briefly, Navy has no contract employees in the same sense that we do. Transportation contracts are sometimes signed, but not employment contracts.

3. In some areas, such as (20,000 people), the Navy has made a contract with the local Government to provide services, and the Government directly employs the personnel.

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4. In all cases where the Navy employs people directly abroad or for service abroad, whether citizens or aliens, excepted appointments in the Civil Service are given.

5. With some areas, i.e., Spain, Navy has had State make agreements covering the employment by the United States Government of foreign nationals. Such agreements indicate which statutes of the two countries shall be applicable to the employees. Mr. Otilie gave the example of Social Security. Under the agreement with Spain, the Spanish laws govern and the United States Government makes the employee's contribution.

6. Citizens hired overseas, most of whom Mr. Otilie thinks would be dependents, are hired under excepted appointments, as indicated previously, and are sometimes given career or career conditional appointments. Mr. Otilie said that one advantage to an agency of an excepted appointment is easier termination, but Navy regulations give comparable protection on termination to the excepted service to those afforded the competitive service by the Lloyd LaFollette Act.

7. If a departmental civilian employee were sent overseas, he would be reappointed in the excepted service, but he would have restoration rights to his departmental position when he returned.

STATINTL

Office of General Counsel